

1938

# A BUSINESS-IN-A-BASKET

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THE STORY OF JEWEL TEA CO., INC., SINCE 1899







A BUSINESS-IN-A-BASKET



SERVING A MILLION HOMES

The premium method of merchandising  
will live as long as trade because it  
moves with the tides of the human heart.

*— Elbert Hubbard*

**JEWEL TEA CO., INC.**  
JEWEL PARK, BARRINGTON, ILL.



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# PRESIDENT'S MESSAGE

People frequently make the mistake of thinking of business as an accumulation of land, buildings, inventories, machinery, dollars in the bank, and millions in sales. Jewel *has* all of those things, but Jewel *is* none of them. Jewel is people, men and women of character, ability, ambition—folks who live clean lives and work hard to produce more in the world in order to have more for themselves and their families.

It is the character of Jewel people that is responsible for the growth and progress of Jewel Tea Co., Inc. This character is built upon mutual confidence existing among all of the essential elements of this human institution. The customer is Jewel's first consideration. What we are and what we have we owe to the million Mrs. Browns who live in the homes we serve in 42 states. The stockholders as owners of this business-in-a-basket supply the inventories, the automobiles, the equipment, and other tools with which we work. Their loyalty, faith, and support through good times and bad have been the backlog for full-time jobs,

steady income, and personal security. In return their partners have earned for them 40 consecutive quarterly dividends.

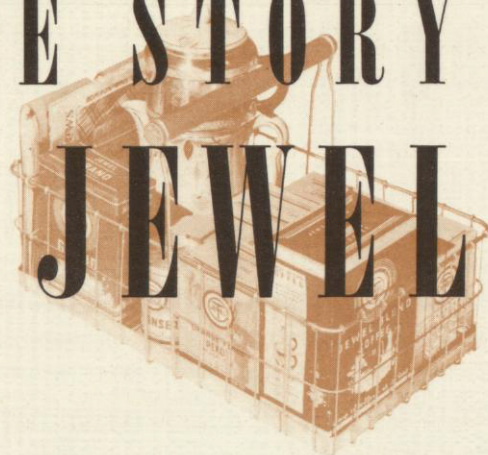
Jewel is a team of 3,664 people. Each individual has his part to play yet each cooperates so smoothly with his team mates as to produce a competent and effective unity. The team is proud of the fact that for more than ten years it has annually added to its staff. In 1937 Jewel provided jobs for 1,311 more people than it did at the height of prosperity in 1929.

This booklet will review the growth and development of this business-in-a-basket through its 39 years of life, and endeavor to explain briefly the ways in which it operates.

*M. W. Harter*



# THE STORY OF JEWEL



Jewel is more than a business; it is a service. It is a service as big as the nation, as small as Mrs. Brown's personal market basket. No one feature is the reason for the popularity of Jewel Service; financial strength doesn't explain it; the premium method of merchandising, purchasing power, the best and freshest quality products, an unlimited guarantee; all of these contribute to the vitality of this business. "Jewel *has* all of these things but Jewel *is* none of them." The business would fail without the loyalty, sincerity, and devotion of 3,664 Jewel workers. The quality, ambition, and character of Jewel people are the ingredients which make Jewel grow.

A better understanding of the business and its people will be yours if you will come along with one of the 1,550 Jewel Salesmen as he brings the markets of the world direct to the kitchens of his customers. Or visit one of the 109 clean, white Jewel Food Stores in Chicagoland and "feel" the welcome you get. In both visits you would absorb enthusiasm, you would sense the all-vital part human relations play, you soon would recognize that the feeling of personal responsibility of individuals for the welfare of their customers explains Jewel progress. This pride in being of service to others is part of the character of the people who work in Jewel.

On both of your adventures you will notice the curious coincidence that a small basket plays a leading role. On the routes a



basket is the constant companion of the salesman and in the stores a basket is the first essential to a successful self-service shopping tour. In each instance the basket serves as a carrier of foods but it serves as a silent salesman in the home because it is also the Jewel Man's display case.

The basket is a familiar sight in 12,000 communities where the coffee-brown Jewel car is the sign of quality foods and smart shopping. The Jewel premium method of merchandising is popular because it provides useful household articles for Mrs. Brown's home as she buys coffees and other quality food products from the friendly and courteous Jewel Man as he calls each two weeks. The Jewel Man multiplies pleasant experiences and finds satisfaction, happiness, and security in working for Jewel. He enjoys the fresh air, the variety, the all-year-around job and the steady income it provides. He feels secure and he knows that the basis of Jewel wagon route operation is sound in principle because the statement of Elbert Hubbard: "The premium method of merchandising will live as long as trade because it moves with the tides of the human heart" included Mrs. Brown, her neighbors, and all other homemakers.

As a thirty-nine-year-old institution Jewel is old enough to be respected and well-established. At the same time it remains young in spirit, progressive in methods, alert to change, and in tune with modern styles, trends, and demands. Every Jewel is



conscious of the challenging opportunity for service and knows that he must satisfy his customer if he is to be successful himself. There is nothing mechanical or impersonal about the organization. Mutual confidence existing between management and men and between company and customers is a result of hearty cooperation and pleasant contacts. This philosophy of working has been responsible for the growth and development of this business-in-a-basket.

The story of Jewel, from its "man with an idea, \$700, and a horse and wagon" stage in 1899 to the present time is the story of the growth and development of a food distribution idea. There is no place in this span of thirty-nine years when the company has departed from the basic idea that the average American housewife is honest, and that she will gladly pay a reasonable price for full value. Inherent honesty of the housewife was all-important in 1899 as it is now, for Frank V. Skiff and Frank P. Ross were making a radical departure when they conceived the idea of *advancing the premium* to Mrs. Brown with her first delivery of coffee, tea, or other groceries.

At that time there were many merchants who traveled from door to door selling spices, teas, extracts, and coffees. After the customer had purchased a sufficient quantity of merchandise, she was given a platter, a skillet, a coffee pot, or some other household article in return for coupons she had saved. But Jewel was unique; it trusted the customer by bringing her the premium *in advance* and her future purchases paid for it *as she was using it*. Mrs. Brown liked this new idea.

It enabled her to buy quality groceries and at the same time to furnish her home with the useful premiums the Jewel man

brought. This novel and pleasing combination caught the fancy of her neighbors, too. Like Mrs. Brown, the Jewel Way of Shopping pleased them, they appreciated the extra premium values, and they liked the idea of being trusted with the premium in advance.

The wisdom of the founders is confirmed by the growth of the company from a \$700 business to one with assets of over ten million dollars. From the first horse and wagon in Chicago, Jewel has grown until today a fleet of over 1,550 motor cars serves customers who live in 12,000 communities from sunny Florida to the wind-swept plains of the Dakotas and from Chesapeake Bay to the Pacific.

### CHARACTER OF THE BUSINESS

Thirty-nine years is not a very long time as historians record events. But thirty-nine years of continuing growth of a human institution engaged in the manufacture and distribution of quality groceries is a long enough time to attest its stability, its character, and its worth to those it serves.

In forty-two states and the District of Columbia the Jewel Salesman is a familiar figure. This is how he works: he calls on Mrs. Brown once every two weeks to deliver coffee and other groceries which have been ordered two weeks before. He will be back two weeks from now. In his basket will be the order Mrs. Brown gave him today. He will arrive on the same day of the week and at about the same hour.

Jewel does a cash business, and all groceries are paid for at the time of their delivery. Exception is made for good customers, who have a long trading record with the company, to allow for one delivery's credit accommodation when necessary.





# THE STORY OF JEWEL

The progressive growth of the Jewel method of merchandising owes much of its success to the premium, for it is the distinctive feature of the Jewel Way of Shopping.

With her first delivery of Jewel Coffees and other groceries, Mrs. Brown also receives a quality household article of her own selection. She pays for it as she uses it, for with each purchase of groceries she receives a credit to be applied toward the price of the article she selected. The amount of the credit varies according to the product. The premiums from which she makes her choice are all carefully selected, high quality household articles of tested and proved value. They are of good taste, attractive, and things Mrs. Brown wants and needs. All of them are manufactured by reputable concerns and many of them are made to Jewel's own specifications. Representative of Jewel Premiums are Hammercraft Aluminum ware, manufactured by the Club Aluminum Co., the Coffee Service Set made by the Hall China Company, the Mary Dunbar Waterless Cooker supplied by the West Bend Aluminum Co., the Manning-Bowman Waffle Iron, the imported Floral China of Dresden design, and Plated Silver from International Silver Co. Jewel Premiums are obtained from manufacturers who are outstanding in their particular field.

There are 58 products in the regular grocery line sold on the routes, 32 of which are manufactured in the Barrington plant. All Jewel Products are of the highest quality obtainable, and Jewel Coffees are selected, roasted, and blended to a uniformly high taste-standard which never varies. The quality of merchandise sold by Jewel is rigidly maintained; all merchandise is purchased, manufactured, and packaged with the utmost care. Articles not manufactured by the company are carefully inspected to see that they are in every way up to Jewel specifications.

## SALES AIDS

Numerous sales aids are provided to stimulate sales and increase the number of customers trading with Jewel. Jewel has never had a more attractive premium line, and merchandising with premiums continues to prove effective. Contests and campaigns are staged at intervals throughout each year to increase interest in selling larger volume and more customers.

Every effort is made by Jewel to encourage the promotion of

employees within the company, and a constant program of indoctrination and self-improvement is in force. Education of Jewel people is encouraged through a library containing over 2,000 volumes, including business books and training courses. A full time librarian is in charge.

Carefully prepared sales manuals are published to train the sales force in proper procedures and to carry instructional and training material to the personnel.

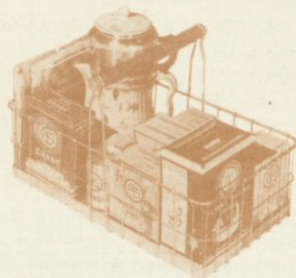
*The Jewel News*, an eight-page rotogravure publication is printed each four weeks and distributed to all customers. It features items of interest to all homemakers, carries recipes, an idea exchange for customers, shows current merchandise and premiums, and includes pictures of customers, their children, and places of interest throughout Jewel territory. Attempt is made to bring helpful information for the economical management of the home and to combine merchandising material with this home improvement news in such a fashion as to interest Mrs. Brown so that she may get additional enjoyment from shopping from the Jewel basket.

An all-company publication, *The Jewel*, is issued regularly. This news magazine helps maintain unified thought and action among Jewel people. It keeps them informed of news in the organization, sales contests, promotional plans, sales programs, and reflects the activities of the whole personnel. *The Jewel* gives national recognition to outstanding jobs done by staff members.

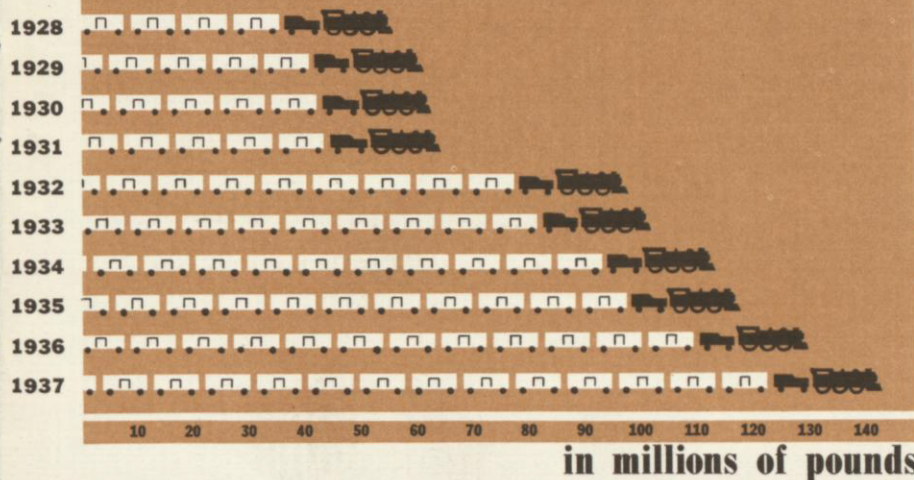




# Mrs. Shepherd's LETTER



## MERCHANDISE SOLD TO CUSTOMERS



January 7, 1930  
Flint, Mich.

Dear Mr. Karker:

After reading your January issue of The Jewel News, in which you asked for letters from customers, I want to say that I have traded with your company for nearly thirty years and have been perfectly satisfied with your products and am very pleased to say also that all of the boys who delivered to me were as good as they could be.

I started to trade with you when I lived in Missouri, then I moved to Kansas, from there to Illinois, then Iowa, then to Michigan, and all the time I traded with the Jewel, and I will continue to trade with you as long as I live, although I can't promise how long that will be, for I will be eighty-one my next birthday.

In closing I wish to thank the Jewel Company for their fine products and reliable representatives.

Yours very truly,  
Mrs. H. M. Shepherd,  
969 Vosburg Street

The above letter is representative of the thousands of letters received by the company from satisfied customers. Mrs. Shepherd traded with Jewel for over thirty years, and expressed in this letter the sentiment of the many customers enrolled in the "Jewel Quarter Century Club," qualification for which includes twenty-five years as a Jewel customer. At the close of 1937, the club had enrolled 659 members.





# DIRECTORS



THE JEWEL  
BOARD OF DIRECTORS  
IN SESSION



**John M. Hancock**

John M. Hancock is an active partner in the banking firm of Lehman Brothers, New York. He is a member of the Advisory Committee of the New York Stock Exchange and is a director in these companies: Sears, Roebuck & Co.; Kroger Grocery and Baking Co.; International Silver Co.; American Stores Co.; W. T. Grant Co.; General American Investors Co., Inc.; Van Raalte Company; Brunswick-Balke-Collender Company; Kimberly-Clark Corporation; The Lehman Corporation; A. Stein & Company; The United States Playing Card Company; Van Camp Milk Company; Underwood-Elliott-Fisher Company; National Surety Corporation; and he is chairman of the Executive Committee of The Flintkote Company, Inc.

Mr. Hancock was born in Emerado, North Dakota, in 1883. He graduated from the University of North Dakota in 1903, and the next year entered the navy. When the United States entered the war, Mr. Hancock was the officer in charge of the Purchase Division, Bureau of Supplies and Accounts, Navy Department. He was also a member of the Federal Price Fixing Committee and of the Requirements Division of the War Industries Board. He was awarded the Navy Cross for war services. He held the rank of Commander when he resigned from the navy in 1919 to become connected with Jewel. He was elected vice president and treasurer in November, 1919, and president in April, 1922. Two years later, in July, 1924, he resigned to join Lehman Brothers, and became chairman of the board of directors of Jewel Tea Co., Inc.



# AND OFFICERS OF JEWEL



**M. H. Karker**

M. H. Karker was born in Schoharie County, New York, in 1886, received his early education in the vicinity of his birthplace, and enlisted in the navy shortly after graduation from high school. He continued his education after his enlistment and earned his commission before he was 21. During the first year of the war he was on duty at the navy supply depot in New York and after June, 1918, at the navy supply base at Brest, France. On his return to the United States he was made officer in charge of the Provisions and Clothing Depot at New York. He received a letter of commendation from the Secretary of the Navy and had three citations, one for the Legion of Honor and two for the Distinguished Service Medal.

In 1922, Mr. Karker left the navy and a short time later joined the executive staff of Jewel. He was elected a member of the board of directors on February 13, 1923, and was made vice president in charge of administration on March 20, 1923. Mr. Karker was elected president on July 1, 1924. He has held this position since that time. His untiring energies, intense loyalty, and sympathetic leadership have made him a sincere friend to every Jewel.



**Henry S. Bowers**

Mr. Henry S. Bowers is a partner in the banking firm of Goldman, Sachs & Co., New York. Born 1878, Arlington Heights, Mass. Graduated Harvard, 1900. New York Office, Goldman, Sachs & Co., 1900 to 1907. Chicago Office same firm, 1907 to 1915. Admitted to firm 1915, and transferred back to New York Office. Director of the following corporations: Pillsbury Flour Mills Co.; Munsingwear, Inc.; S. H. Kress & Co.; Kelsey-Hayes Wheel Company; Endicott-Johnson Corporation; Archer-Daniels-Midland Co.; Minneapolis-Moline Power Implement Company; The Cream of Wheat Corporation; Truax-Traer Coal Company; United Biscuit Company of America; The Champion Paper and Fibre Company; Wayne Knitting Mills; Jewel Tea Co., Inc.



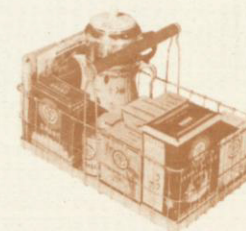
**A. Vernon Jannotta**

Mr. A. Vernon Jannotta is a member of the family which founded the company and which actively directed its development and growth for twenty years. Born 1894, Chicago. Graduated Cornell, Class of 1917. Upon leaving the Navy, in which he enlisted as Seaman when war was declared and where he earned his commission as Lieut. (J.G.) U.S.N., he entered the employ of Jewel in 1919. He held important positions both in sales and operating phases of Jewel and then became in succession Assistant to the President, Assistant Secretary, and Secretary. In 1926 Mr. Jannotta resigned to engage in business for himself. Vice President and General Manager of Tapp, Inc.; Director of: Chicago Furniture Manufacturers Association; West Counties Construction Co.; Jewel Tea Co., Inc.



**C. W. Kaylor**

C. W. Kaylor, vice president, Public Relations, began his service with Jewel in 1922 as a route manager, and was an assistant manager, branch manager, chief of personnel division, western sales manager, assistant general sales manager and general sales manager, successively. He was made a member of the board of directors on April 10, 1933, and elected vice president on March 13, 1934. On January 3, 1938, he was made vice president in charge of Public Relations.







**F. M. Kasch**

F. M. Kasch, vice president, Food Stores, entered the service of the company in 1916. He held successive positions as charge of auditors, charge of voucher records, disbursements, billing, payroll and expense sections, statistical department, assistant treasurer and treasurer of the company. He was elected a member of the board of directors April 8, 1928, and elected vice president of the company on March 13, 1934.



**E. E. Richards**

Mr. E. E. Richards is a member of the Industrial Department of the Investment Banking firm of Lehman Brothers.

Born in 1905, he graduated from Dartmouth College in 1925 and from the Harvard Graduate School of Business Administration in 1927. Shortly thereafter he entered the offices of Lehman Brothers. Elected a director of Jewel Tea Co., Inc. in 1937. He is also a director of the Van Camp Milk Company and the Cook Paint & Varnish Company.



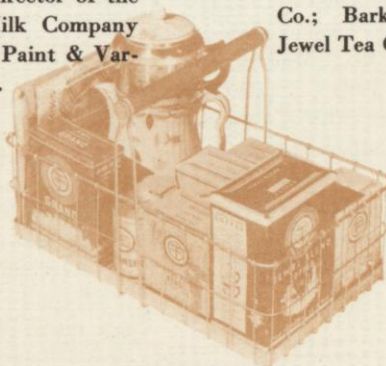
**Walter E. Sachs**

Mr. Walter E. Sachs was born in New York City in 1884. Graduated from Harvard in 1904. Studied law at Harvard Law School, 1904-1905. Studied foreign banking methods in London, Paris, and Berlin, 1906-1907. Partner in Goldman, Sachs & Co. since 1910. Director of: The May Department Stores Co.; Brown Shoe Co., Inc.; Kaufmann Department Stores, Inc.; Merck & Co., Inc.; Lehn & Fink Products Co.; Barker Bros., Inc.; Jewel Tea Co., Inc.



**Robert R. Updegraff**

Mr. Robert R. Updegraff is a business counselor, serving several of America's largest corporations in an advisory capacity. Born 1889, Salt Lake City, Utah. Author of numerous books dealing with business and related fields, and frequent contributor to the periodical press. Edited *The Magazine of Business*, Chicago, 1928-29. Contributing Editor, *Advertising & Selling* magazine, New York. Director of: Scarsdale National Bank and Trust Company; Jewel Tea Co., Inc.



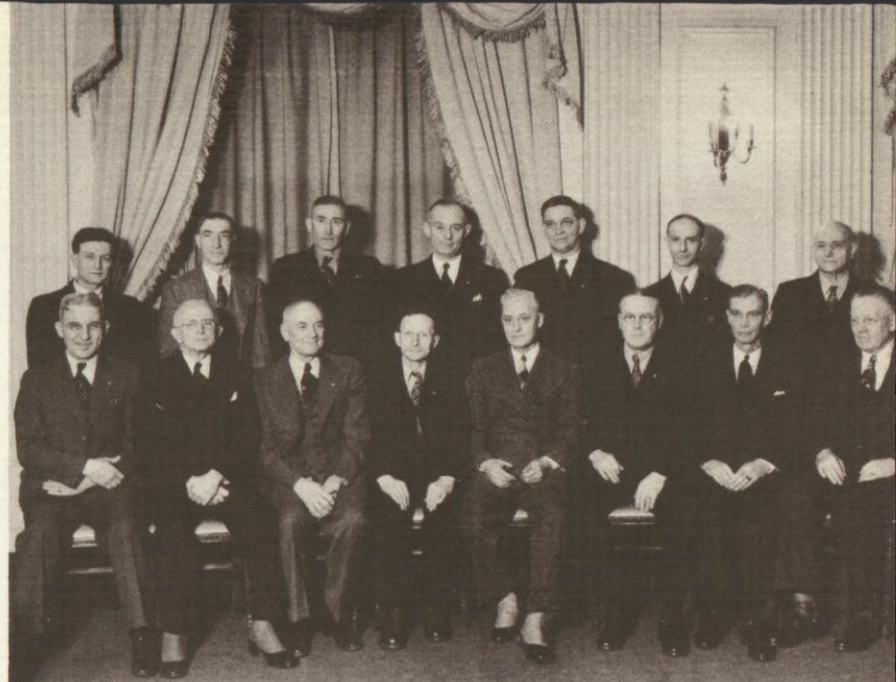


# THE TWENTY-FIVE-YEAR CLUB

Symbol of Jewel loyalty is the Twenty-Five-Year Club, an organization of those who have been with the company for a quarter of a century or more. The first meeting of the club was held December 5, 1928, when Frank Talbot and Charles Smith were awarded gold watches suitably engraved in recognition of their service records. Fifteen club members are in active Jewel service today. Meetings are held from time to time as new members qualify for admission.



Robert Hilton,  
Vice President,  
Administration



Top row, left to right: F. L. Clancy, Joseph Buschek, G. W. Hoag, J. C. Gellatly, E. H. Stenson, William Danhauser, and Charles Thomas. Front row: C. C. Hiatt, W. D. Smith, A. J. Hedley, Charles Smith, Frank Talbot, J. P. Lamb, H. H. Hight, and Charles McDaniel.



Robert W. Muir,  
Secretary



J. M. Friedlander,  
Treasurer



A. U. Hunt,  
Controller



W. D. Smith,  
Assistant to  
the President



J. M. O'Connor,  
Ass't. to Chair-  
man of Board



F. J. Lunding,  
Assistant  
Secretary

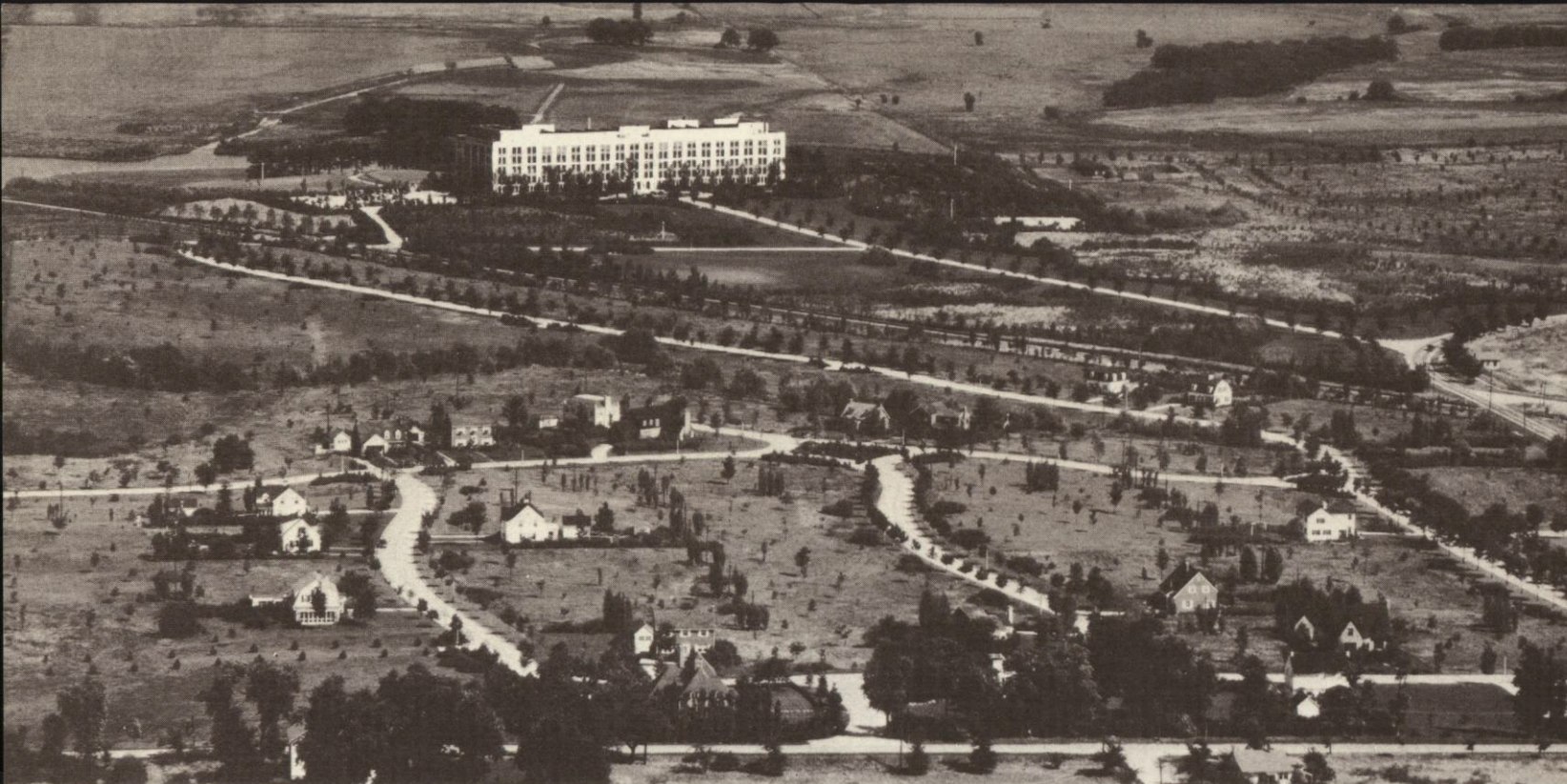


T. Edw. Davis,  
Assistant  
Secretary

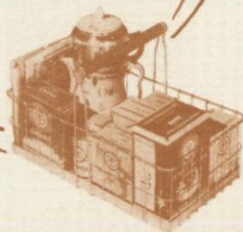


C. Q. Wright, Jr.,  
General Sales  
Manager





*If you are ever in the vicinity of Barrington, you are invited to visit Jewel Park. The home of this business-in-a-basket is less than an hour's ride from Chicago. The building is open Monday through Friday each week. Last year 7212 visitors enjoyed a trip through our plant. We would be glad to welcome you also.*



Jewel Park, Barrington, Illinois, became the home of Jewel Tea Co., Inc. in April, 1930. Built in the country, clean air and sunshine furnish ideal conditions for the manufacture of food products. The setting of the home office and plant is beautifully landscaped and the grounds are one of the beauty spots of northern Illinois. Thousands of motorists, visitors, and tourists annually see the building and grounds as they go along the Northwest Highway; many stop to inspect the plant and to spend a pleasant hour seeing the cleanliness, the care and the quality of workmanship which are the pride of every Jewel.

Jewel chose Barrington as its permanent business home after careful investigation of many cities in northern Illinois. This village was chosen for its transportation facilities, its proximity to Chicago, and the ideal atmosphere it offered for the manufacture of foods and homes for its people.

In this setting, Jewel found operating expenses could be reduced and that employees of the company could fulfill the ideals for their welfare which the





company had in mind when it purchased the Barrington site in December, 1928, after a three year investigation and study of the problem of relocation.

Jewel people are freed of the difficulties of commuting to the loop of Chicago. They have all the advantages which country life affords. Tennis courts, a baseball field, handball courts, bowling alleys, a putting green and other recreational facilities are provided for the convenience and use of all Jewel people.

Jewel Park contains approximately 300 acres of land, a portion of which is used for homes. A plan has been provided whereby the company offers Jewel employees the opportunity to own their own homes. This residential section was carefully planned, streets being laid out to give the maximum beauty. Shrubs and trees were planted in abundance, and the landscaping is continually being improved. Jewel employees were given first choice of the property, but others are also permitted to build in the park.



A typical home in Jewel Park



# SOCIAL RESPONSIBILITIES

Jewel is conscious of its social and public responsibilities. It has a very real interest in creating benefits for its customers and for its wage earners. Products of the company are continually being improved. The markets of the world are combed for the highest quality and the widest variety of foods and premiums. Efficient and speedy distribution of products is the constant aim of the entire organization. In 1937 Jewel wagon route customers were allowed an average of 18.93 cents of each grocery dollar in profit sharing credits which brought new and useful household articles into their homes. Each premium is of high quality and guaranteed to please and satisfy the customer.

Total payrolls for 1937 amounted to \$5,265,173.26 which is an increase of 6.42% over 1936. In all but a very few of the Jewel field jobs the individual has an opportunity to increase his own earnings because his weekly pay is related directly to the dollars of his sales or some other measure of his personal production. His pay is thus immediately adjusted to his increase in sales or efficiency. All pay rates are regularly reviewed and adjusted twice each year. One of the important advantages of working for Jewel is that the work is regular with no layoffs and that the character of the business provides

healthful full-time jobs under conditions which bring very real and apparent security.

The Jewel Balance Sheet for January 1, 1938, shows that an investment of \$2,733 is needed to supply a job for each member of the Jewel staff. This money is invested in cash, accounts owed by customers, inventories of raw materials, supplies, finished groceries and premiums, land, buildings, machinery, tools, and other kinds of property which provide the means by which each worker is enabled to earn a living. Most of this money has been supplied by the owners of this business-in-a-basket—the stockholders.

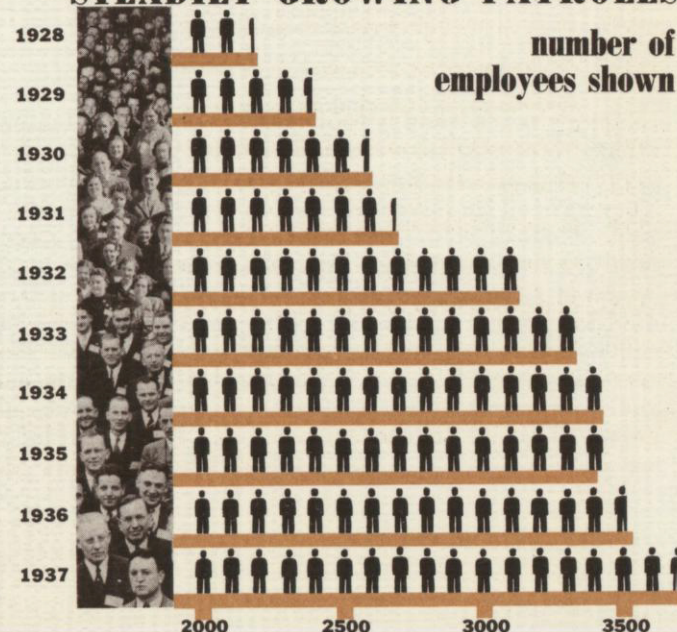
The ever-increasing tax toll placed a burden on Jewel in 1937 of \$5.21 per week per person employed, or a total of \$991,908. In the same calendar year, 18,789 tax returns of one sort or another were filed with various governmental agencies.

American communities and businesses support each other—no one is independent of the rest. Jewel has the unusual record of having employed more people in each successive year for more than a decade—through upswing and downswing of the economic cycle. In 1937 Jewel provided steady employment

## RIISING TAX COSTS

Year	Total	Per Share of Stock Issued	Per Employee
1932	\$248,457	\$0.89	\$ 87.57
1933	426,897	1.52	129.23
1934	589,069	2.10	176.13
1935	676,717	2.42	201.70
1936	850,605	3.04	246.52
1937	991,908	3.54	270.70

## STEADILY GROWING PAYROLLS



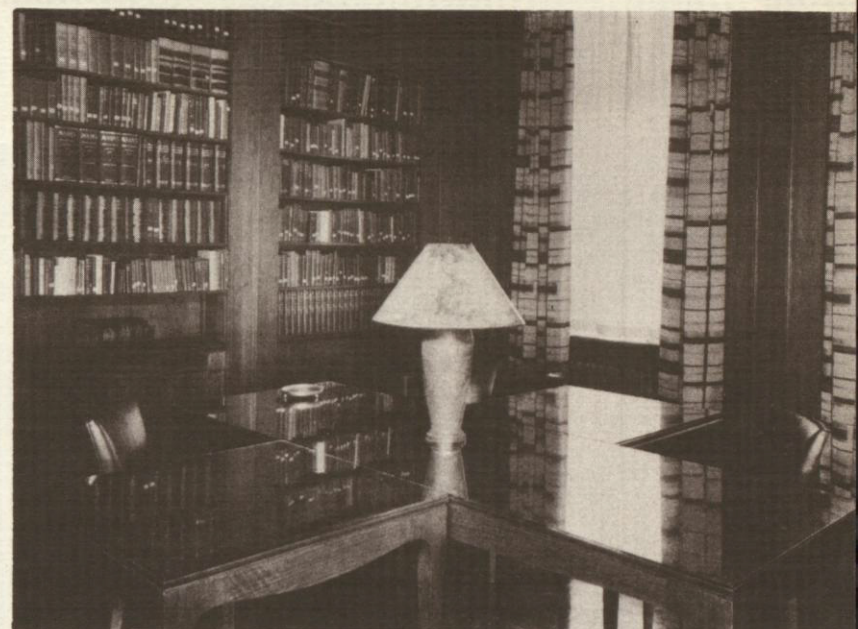


for 3664 people on its own payrolls. It is estimated that Jewel provides work, directly and indirectly, for at least 10,000 workers. Manufacturers in over 20 states ship their products to Jewel. This unsolicited letter from a Milwaukee manufacturer illustrates how others benefit from Jewel's progress:

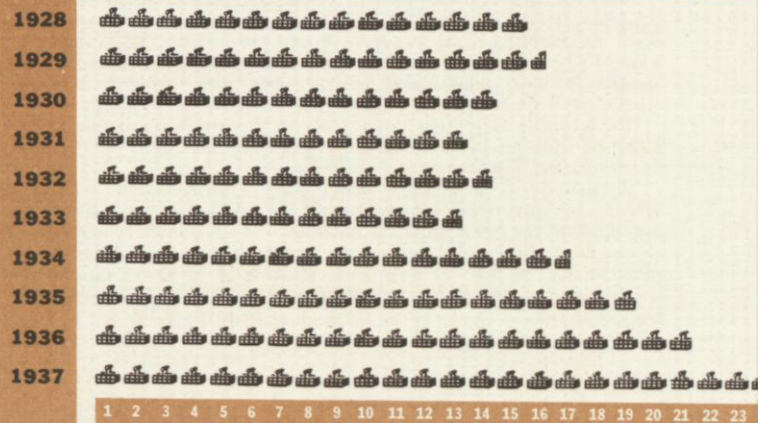
"Not only is my company most appreciative of your order, but I know the men in the plants are also. An order as large as yours means weeks of steady work to many factory employees who might otherwise have little during this particular period. If they and their families could thank you and your company personally, I am sure they would do so."

Other examples of increased employment made possible through alert merchandising: One Baltimore manufacturer has supplied Jewel with more than 221 carloads of one premium item. A glass company in Indiana furnished seven carloads of a special premium which were sold in two weeks' time. Jewel purchased 14 carloads of special enamelware from one Midwest supplier. The order required over 10,000 man hours to produce the finished steel plate; 15,425 man hours were used in the manufacturing plants; 477 hours in making the corrugated shippers. More than a half million dollars of china-ware in a single year was supplied by one pottery in Ohio.

And so goes the endless chain of one merchandising organization providing employment and income for thousands of families all over America. When merchandise moves from plants to homes prosperity also moves, and Jewel is proud of the small yet important part it plays in adding to the payrolls of American industry.



## JEWEL SALES



in millions of dollars







# HOMEMAKERS' INSTITUTE

*The Jewel Homemakers' Institute*, staffed with home economics experts, gives demonstrations and Mary Dunbar Cooking Schools from time to time in towns in which Jewel operates. At these demonstrations the women attending receive interesting and practical ideas about cooking, and at the same time are told the advantages of the Jewel Way of Shopping. The director of the Homemakers' Institute and her assistants secure many new customers through this method of acquainting the public with Jewel.

The Homemakers' Institute is valuable also because of its essential role as guardian of Jewel quality. Every grocery and household article is tested in the Homemakers' Institute for purity, durability, and practicability before it is presented to customers for sale.

Jewel maintains the highest standards of quality and sees that only the best materials and workmanship go into Jewel Products. The Chemical Laboratory and the Jewel Homemakers' Institute are staffed with chemists and home economists—experts in their field. Every product sold by Jewel must first receive the endorsement of these specialists. The Mary Dunbar stamp of approval is respected by Jewel Customers, and to earn it a product must pass exacting tests and qualify in every detail as high quality merchandise.

More than a million women follow the articles on household problems written regularly by Mary Dunbar, who is equipped both in training and experience to bring something of real value to homemakers. She has a Bachelor of Science degree, has taught in high school and college, and was formerly baking specialist with the United States Department of Agriculture.

She has able assistants, one of whom is a graduate of Simmons College, Boston, and another a graduate of Stout Institute, Menomonie, Wisconsin.

Thousands of customers write Mary Dunbar each year for advice and consultation on homemaking problems, and a friendly association has been built up between her and Jewel Customers throughout the United States. An "Idea Exchange" is published periodically in *The Jewel News*, consisting of short cuts and suggestions on household problems, which have been sent in by customers.





# THE MOST COMPLETE COFFEE SERVICE IN AMERICA . . . . .

Flavor of the coffee served marks a hostess as a "good cook" more definitely than any other single item on the table, and helping customers to achieve this distinction has resulted in coffee becoming 50% of the sales of the company. First rule for a cup of good coffee calls for the use of a good blend, and Jewel provides the finest coffee in the freshest possible condition, delivered direct to the kitchen. There are three Jewel blends, each the best of its variety, to satisfy every coffee taste.

To further insure the uniformity of the cup of coffee served by homemakers throughout America, months of experimental work were devoted to perfecting a scientifically approved all-purpose triple-cut grind and tested coffee makers. Jewel's Modern Coffee Dripper is the simplest possible means of obtaining a perfect cup of coffee every meal. For those who prefer percolated coffee, there is the percolator perfected by Jewel. The company has developed three serving units, the Hammercraft, drawn aluminum, and Hall China, and the Jewel Modern Coffee Grinder is provided for those homemakers who prefer to grind their coffee just before using.

Completing Jewel's coffee service are the three sets of dishes providing three styles and shapes of cups. A tray, creamer, and sugar bowl are part of the Hall China service set, and teaspoons may be had of International plated ware.

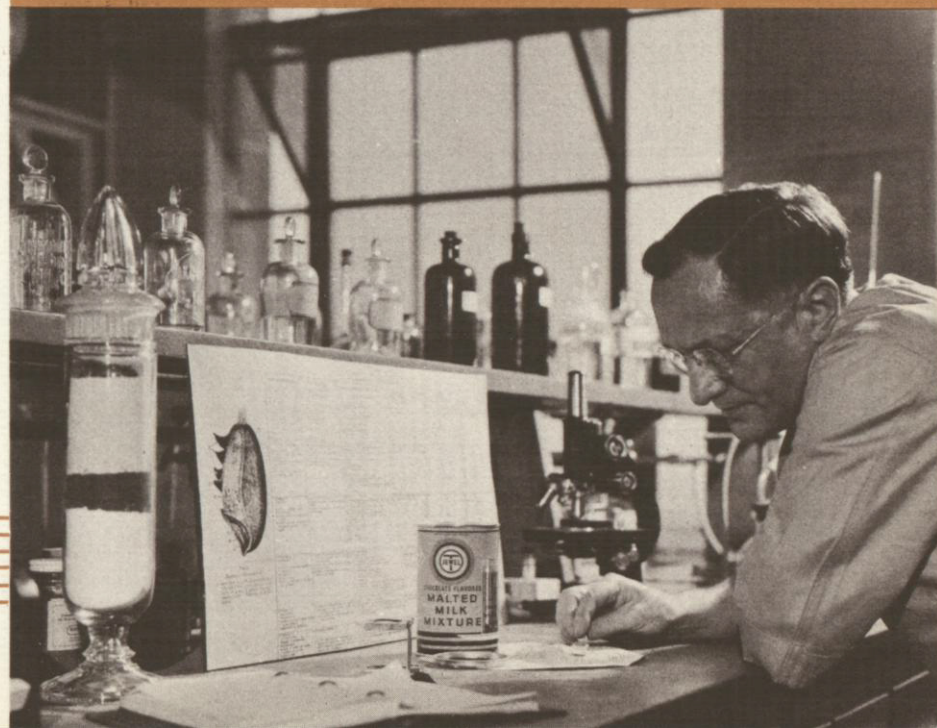
Thus Jewel has the Most Complete Coffee Service in America, supplying its customers with coffee of the highest quality, delivered fresh to their homes, and all the equipment necessary in the making and serving of a cup of perfect, uniform coffee, day after day.

## JEWEL LABORATORY—→

A view of the modern Jewel laboratory where skilled attendants safeguard Jewel's customers against inferior products. Every Jewel food item is scientifically tested and each not only meets, but exceeds, the requirements of all pure food laws. As guardian of the health and welfare of its customers, the Jewel Laboratory tests each and every item before it is accepted as one of Jewel's products.

# COFFEE FROM THE PLANTATION TO JEWEL TO YOU

The Most Complete Coffee Service in America





# MILESTONES IN JEWEL HISTORY

- 1899—Frank Vernon Skiff founded the business with \$700 capital.
- 1901—Skiff and Ross, proprietors of the Jewel Tea Company, rented first store at 643 E. 43rd St., Chicago, and initiated the practice of advancing the premium with the first delivery of goods.
- 1903—First inventory made. Company incorporated with capitalization of \$25,000.
- 1904—With 12 routes in Chicago, opened outside territory.
- 1905—Leased three-story building at May and Randolph Sts., Chicago, for packaging and distributing base.
- 1906—Capitalization increased to \$100,000. Machinery installed and manufacturing begun. Baking powder first product.
- 1908—The largest single lot of coffee ever brought into the country up to that time was imported by Jewel—1,600,000 lbs., requiring a train of 42 cars.
- 1909—First manufacturing plant built with complete coffee roasting equipment and machinery for manufacturing and packaging at Ada and Washington Sts., Chicago.
- 1910—Year's sales reach million mark for first time. Capitalization increased to \$500,000. Expansion program launched.
- 1916—With a capitalization of \$16,000,000 the present company was incorporated. Both common and 7% preferred stock were listed on the New York Stock Exchange. Service extended to New England states and West Coast.
- 1917—Completion of Hoboken, N. J., manufacturing plant, the finest and largest roasting plant in the country.
- 1918—Hoboken plant commandeered by government.
- 1919—Indebtedness funded through issuance of \$3,500,000 in gold notes. Expenses exceeded income. Dividends on preferred stock passed.
- 1920—\$1,000,000 of gold notes paid off. Liquidation of unprofitable branches.
- 1921—Retrenchment program continued and financial position improved.
- 1922—Paid off last of gold notes. Company out of debt.
- 1923—Many improvements in customer service included the establishment of the chemical

laboratory, the appearance of a customer publication, *The Jewel News*, and initiation of triple seal package for coffee.

- 1924—Home Service Division established. Budget system for control of branch expense inaugurated. Company's capital deficit wiped out.
- 1925—Accrued dividends amounting to \$36.75 reduced \$7.00 per share and dividends resumed.
- 1926—Motorization of routes completed. In December sales per week per wagon reached \$300 for first time.
- 1927—Preferred dividends in arrears paid in full.
- 1928—All preferred stock called for redemption. After 12 years, first dividends paid on common stock at annual rate of \$4.00.
- 1929—Capital stock structure further simplified. Annual dividend rate of \$3.00 per share established on the 280,000 shares of common stock outstanding.
- 1930—Jewel Park, Barrington, Illinois, became headquarters of company and the home of Jewel Quality.
- 1931—First full year of operations in Barrington showed savings in production and distribution.
- 1932—Jewel entered chain store field by purchasing 81 food stores in Chicago area.
- 1933—Two new branches, Pasadena and Long Beach, opened. Package line redesigned. Banks closed, and Jewel operated without interruption of service.
- 1934—"Wage extra" paid to all employees, except executives. San Antonio, Houston, and Sacramento branches opened.

- 1935—Harrisburg branch opened. A "wage extra" of 6% of employees' earnings for 1935 declared.
- 1936—Jewel Tea Co., Inc., a West Virginia corporation, was merged with the parent company, Jewel Tea Co., Inc., a New York corporation. Greensboro and Tampa branches opened. Two "wage extras" paid, amounting to approximately 6% of employees' earnings for 1936.
- 1937—Baltimore branch split into Chesapeake, Hamilton, and Woodlawn branches. Operating units were increased by 15 routes and nine stores. Total sales reached all-time high. The longest trainload of green coffee ever received by Jewel arrived in Barrington—48 cars containing 1,938,800 pounds. Employees benefited from two general wage increases and from liberalization of policies affecting route audits, vacations, and sickness compensation. Jewel acquired the Chicago land and eight-story warehouse structure occupied by Jewel Food Stores and improved it by the addition of a single story refrigerated produce building.

## JEWEL AT A GLANCE

Number of branches	86
Number of routes	1,550
New routes added in 1937	15
Number of stores	109
New stores added in 1937	9
Number of employees (avg. for year)	3,664
Manufacturing plants	2
Importing office	1
Capitalization (shares no-par common stock)	280,000
Regular annual dividend rate	\$4.00
Earnings per share of present stock, 1937	\$5.19



• 14,656  
persons

## EMPLOYEES ON JEWEL PAYROLLS provide security for







Branch Managers' 16th Annual Convention

April 17-18, 1937

Jewel Tea Co., Inc.

Jewel Park, Barrington, Illinois

## CONTACT AND CONFERENCE



"The Parade of Champions to Barrington" Campaign Winners

November 15-16, 1937

JEWEL TEA CO., INC.

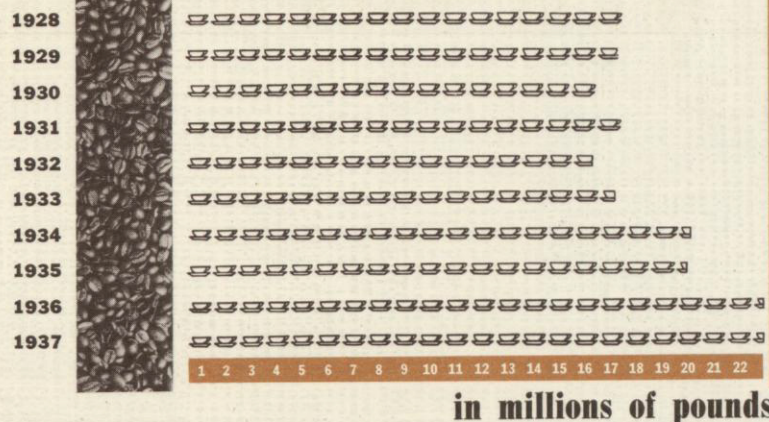
Jewel Park

Barrington, Ill.

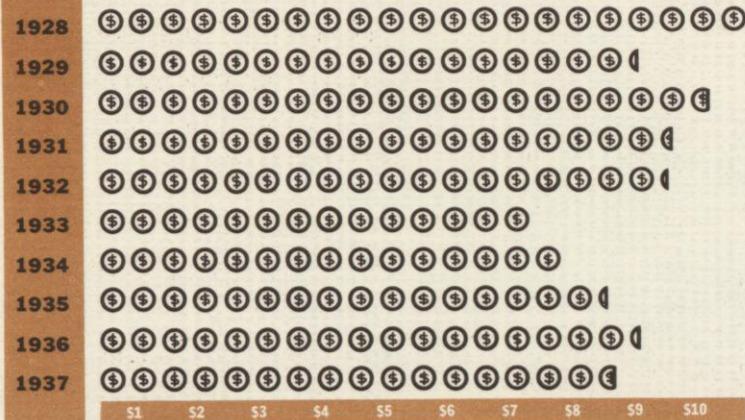
To better exchange ideas and arrive at a common understanding of sales objectives and methods, Jewel each year holds a number of conventions, conferences, and schools. Branch managers and managers of the Jewel Food Stores have their separate annual conventions. Newly promoted assistant managers attend training schools in Barrington and the entire assistant managerial force is included in such schools on an average of once each two years. The auditing staff also has an annual conference. Trips to Barrington are frequently made the rewards in sales contests and thus serve to further educate the winners as well as to stimulate sales.



## JEWEL COFFEE AND TEA SALES



## EXPENSE OF DISTRIBUTING GOODS



the figures shown include accident expense, auto insurance, as well as all other route delivery car expenses.

## B R A N C H E S

Branch offices of Jewel Tea Co., Inc.,  
are located in the following cities:

Akron, Ohio	Ft. Worth, Texas	Peoria, Ill.
Altoona, Pa.	Grand Rapids, Mich.	Pittsburg, Kans.
Atlanta, Ga.	Greensboro, N. C.	Pittsburgh, Pa.
Aurora, Ill.	Harrisburg, Pa.	Reading, Pa.
Baltimore, Md.	Houston, Texas	Richmond, Va.
Chesapeake Branch	Huntington, W. Va.	Roanoke, Va.
Hamilton Branch	Indianapolis, Ind.	Rochester, N. Y.
Woodlawn Branch	Jacksonville, Fla.	Rock Island, Ill.
Binghamton, N. Y.	Johnstown, Pa.	Sacramento, Calif.
Birmingham, Ala.	Kansas City, Mo.	St. Joseph, Mo.
Buffalo, N. Y.	Knoxville, Tenn.	St. Louis, Mo.
Camden, N. J.	La Crosse, Wis.	Salt Lake City, Utah
Charlotte, N. C.	Laurium, Mich.	San Antonio, Texas
Clinton, Iowa	Lincoln, Nebr.	Schenectady, N. Y.
Columbus, Ohio	Long Beach, Calif.	Scranton, Pa.
Dallas, Texas	Los Angeles, Calif.	Sioux City, Iowa
Danville, Ill.	Louisville, Ky.	South Bend, Ind.
Dayton, Ohio	Madison, Wis.	Springfield, Ill.
Denver, Colo.	Memphis, Tenn.	Syracuse, N. Y.
Des Moines, Iowa	Milwaukee, Wis.	Tampa, Fla.
Detroit, Mich.	Minneapolis, Minn.	Terre Haute, Ind.
Duluth, Minn.	Moorhead, Minn.	Toledo, Ohio
E. St. Louis, Ill.	Muncie, Ind.	Topeka, Kans.
Emeryville, Calif.	Nashville, Tenn.	Tulsa, Okla.
Erie, Pa.	Oklahoma City, Okla.	Washington, D. C.
Escanaba, Mich.	Omaha, Nebr.	Waterloo, Iowa
Evansville, Ind.	Oshkosh, Wis.	Wheeling, W. Va.
Flint, Mich.	Parma, Ohio	Wichita, Kans.
Ft. Wayne, Ind.	Pasadena, Calif.	Youngstown, Ohio

Write or call the nearest Jewel Branch so that you too can enjoy shopping the Jewel Way. A Jewel Salesman will call at your convenience.





# JEWEL FOOD STORES



In 1932 the company entered the retail grocery field in the Chicago area, and there are now 109 Jewel Food Stores serving Chicagoland. The same care is exercised in their operation as in the direct delivery business, and the highest standards of quality, cleanliness, and service are maintained.

Chicago's fastest growing group of food stores, Jewel Stores today are outstanding in appearance, efficiency, and complete satisfaction to customers. Each store is immaculately clean and white inside and out—providing an atmosphere of sanitation and care that is as pleasant as it is reassuring to food shoppers. Quality and satisfaction are guaranteed on every item sold; a wider variety is offered than will be found in ordinary food stores; and Jewel has earned a reputation for being a more economical and pleasant place to shop.

Jewel's friendly, courteous people enjoy their work and are interested in the needs of their customers. Like the men who operate Jewel routes, staff members in Jewel Food Stores make every effort to please their customers. Best evidence of their success is the frequent letters from shoppers commending Jewel people on their fine spirit and service.

Jewel Food Stores were designed and are operated according to the desires of Chicagoland shoppers. The Jewel basket plays its part in the stores, and Mrs. Brown will find a light wicker basket a welcome assistant as she enjoys self-service shopping. With customer satisfaction as their goal, Jewel Food Stores experience unusual popularity and growth.

## INCREASING NUMBER OF CUSTOMERS



in hundreds of thousands



# CAPITALIZATION HISTORY AND STATISTICS

Present Capital Structure—280,000 Shares of No-Par Value Common Stock.

At the time the present company was incorporated in 1916, 40,000 shares of \$100 par value 7% cumulative preferred stock, and 120,000 shares of \$100 par value common stock were issued. In each of the years 1917, 1918, and 1919, 1,200 shares of preferred stock were purchased for retirement, and on May 1, 1924, these 3,600 shares were retired and the authorized number of shares of preferred stock of the company reduced to 36,400. The common stock changed in 1925 from \$100 par to no-par with an assigned value of \$1 per share. Six thousand four hundred shares of preferred were retired in 1926, 4,400 in 1927, and on April 1, 1929, the 25,600 shares still outstanding were redeemed at \$125 per share and accrued dividends.

In December, 1928, an increase in common stock from 120,000 to 300,000 shares was authorized. Forty thousand shares of the additional stock were sold to stockholders at \$100 per share on a basis of one share for each three previously held. This increased the outstanding common stock to 160,000 shares on April 1, 1929. On May 13, 1929, a 75% stock dividend was declared, payable June 20, 1929, increasing the stock outstanding to 280,000 shares, the company's present capitalization. The capital structure of the company as it stands today is in the simplest form.

**REGULAR DIVIDEND RATE**—In 1928, twelve years after the company was incorporated, common stockholders received their first dividend on their investment and they have received forty successive quarterly dividends since that date. The first dividends on common stock were at the annual rate of \$4 per share on the 120,000 shares then outstanding. After payment of the 75% stock dividend in June, 1929, a regular dividend rate of \$3 per share on the 280,000 outstanding shares was

established and maintained through 1935. In 1936 and 1937 a \$4 per share annual rate was in effect and this is the present rate.

**EXTRA DIVIDENDS**—Since 1928 eleven extra cash dividends have been paid. Stockholders received extra dividends of \$1 per share in December, 1928; \$1 in June and \$1 in November, 1929; \$1 in June and \$1 in December, 1930; 50c in December, 1931; and 50c in December, 1934. In December, 1935, a special dividend of \$1 was paid. Specials of 50c in July and \$2 in December were paid in 1936. In December, 1937, a final dividend of 75c was paid for the year.

TABLE OF COMPARATIVE SALES, EARNINGS, AND TAXES

YEAR	SALES	EARNINGS		TAXES	
		Amount	Per Share On Common Stock*	Per Share*	Per Employee
1916	\$12,892,507	\$1,479,673	\$5.28	\$ .28	\$23.79
1917	15,847,604	1,350,807	4.82	.59	47.80
1918	15,598,496	695,738	2.48	.13	10.85
1919	16,538,653	d 1,847,203	d 6.60	.10	8.59
1920	17,573,054	d 2,183,506	d 7.80	.22	19.07
1921	11,210,388	321,457	1.15	.14	19.15
1922	10,240,810	152,149	.54	.21	29.68
1923	12,554,875	624,200	2.23	.45	62.51
1924	13,602,745	855,076	3.05	.62	84.72
1925	14,178,478	838,947	3.00	.64	84.44
1926	14,568,258	1,258,052	4.49	.87	115.84
1927	14,532,336	1,261,391	4.50	.85	112.38
1928	15,970,893	1,530,888	5.47	.88	116.26
1929	16,844,110	1,691,302	6.04	.98	116.94
1930	15,521,791	1,705,293	6.09	1.26	138.25
1931	13,742,691	1,363,780	4.87	1.13	120.57
1932	14,662,252	1,053,626	3.76	.89	87.57
1933	14,377,593	909,325	3.25	1.52	129.23
1934	17,217,177	1,243,123	4.44	2.10	176.13
1935	18,804,498	1,536,186	5.49	2.42	201.70
1936	20,762,707	1,794,101	6.41	3.04	246.52
1937	23,277,441	1,452,120	5.19	3.54	270.70

\*Based on 280,000 shares.

d-deficit



# THE JEWEL TEAM . .

Most organizations, like most people, possess distinctive character. Probably nothing contributes so much to the character of Jewel as does the principle of working together as a team. Jewel salesmen virtually are in business for themselves but back of each salesman is a team mate who is occupied in buying raw materials or finished goods, processing them, transporting them, keeping records, maintaining high quality standards, doing the many varied jobs so necessary to the success of a merchandising organization.

Each year the organization faces difficulties, but always the unity, solidarity, and cohesion of the group are a vital part of each progressive step. Each Jewel recognizes that the greatest good for the individual comes from the greatest good for the team. The Jewel team demonstrates the irresistibility of cooperation.

## EMPLOYEE BENEFITS

Believing in the theory that the success of a company depends upon the fitness of the individuals within the organization, Jewel has established many practices beneficial to its personnel.

Since 1920, the company has carried group life insurance on all employees with one year or more of service,

the amount increasing with the years of service. In 1937, \$1,522,700 insurance was carried on the lives of 2,231 Jewel persons.

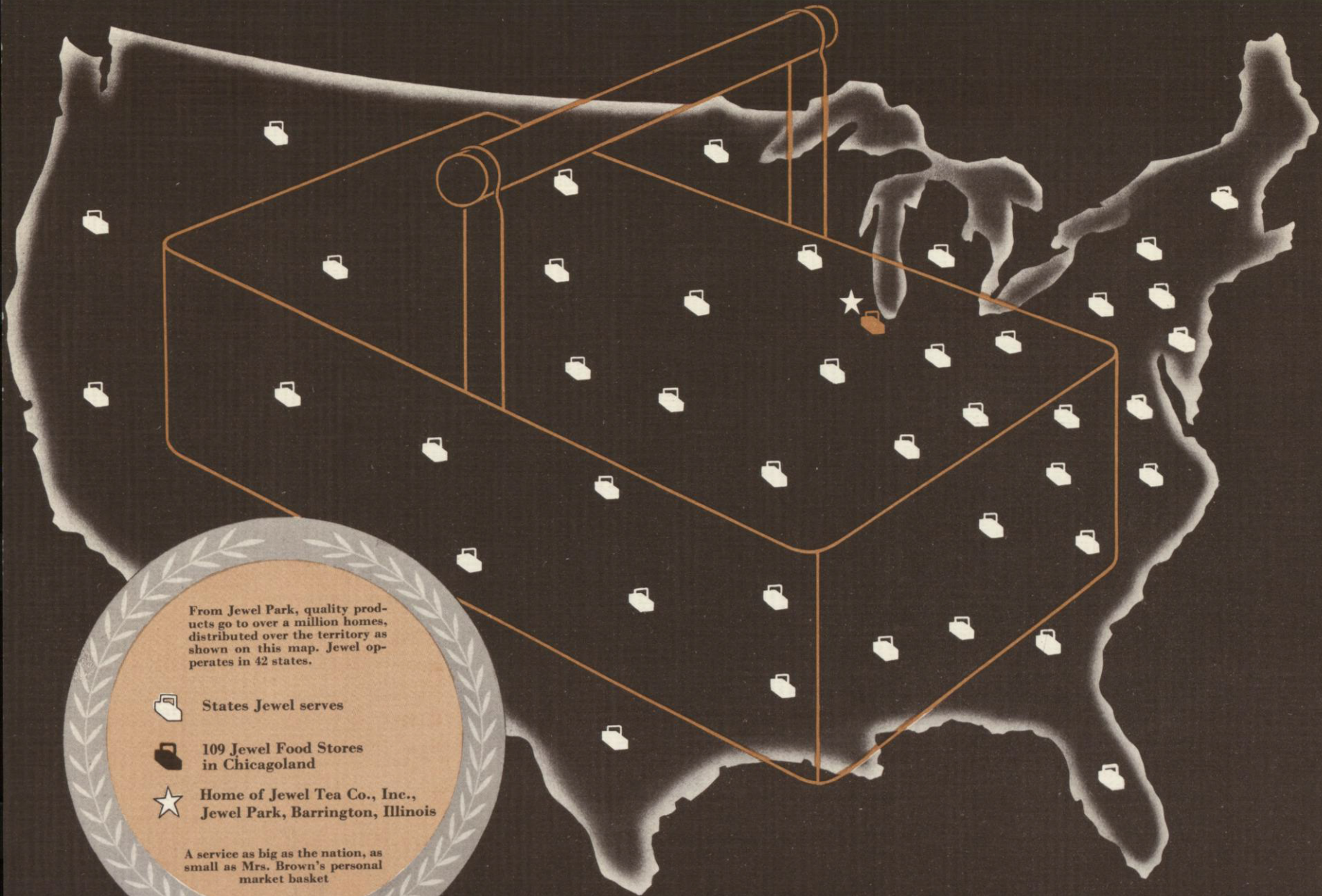
Vacations with pay are awarded all employees meeting the service requirements, whose work and progress merit this consideration. 1,725 persons were accorded vacations in 1937.

In 1929 Jewel adopted a policy of employing only those who had satisfactorily passed a complete medical examination. Health is a prerequisite to happiness and personal achievement with Jewel, and its people are encouraged to remain in good physical condition at all times. In spite of adequate precautions, sick benefits are maintained for employees, and a limited number of days per year are allowed for illness. Should an employee become permanently disabled or be injured, Jewel's compensation policy is liberal.

A Jewel Employees' Trust Fund, with a 3% interest rate guaranteed, has been established to encourage and aid Jewel people in saving a regular portion of their salaries. At the end of 1937 a total of \$484,041.28 was being held in this savings fund.

As of the close of 1937, a total of 8,806 shares of Jewel Tea Co., Inc. stock was owned by employees. The market value (as of January 1, 1938) of their investments in the company amounted to \$431,494.





From Jewel Park, quality products go to over a million homes, distributed over the territory as shown on this map. Jewel operates in 42 states.



States Jewel serves



109 Jewel Food Stores  
in Chicagoland



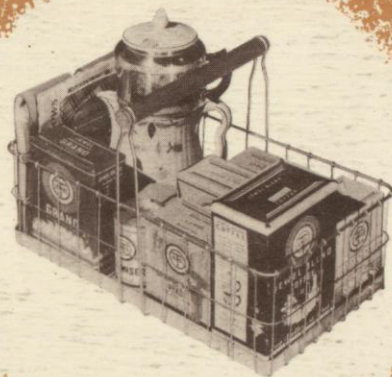
Home of Jewel Tea Co., Inc.,  
Jewel Park, Barrington, Illinois

A service as big as the nation, as  
small as Mrs. Brown's personal  
market basket



MP &  
RV on each





LITHO IN U. S. A.  
NEWMAN-RUDOLPH, CHICAGO